

Middlesex Coalition

For Children

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SUBMITTED by MARGARET H. RICH, for the LEGISLATIVE COMMITTEE of the MIDDLESEX COALITION FOR CHILDREN

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Governor Malloy's proposal to include a State Earned Income Tax Credit in his budget proposal is a smart way to stimulate the economy. It provides state tax credits – matched at 30% of the federal EITC – to Connecticut's hard-working low income wage earners. These families are scrambling to meet their bills and will undoubtedly pump these dollars right back into the state's economy.

The federal EITC was enacted by a bipartisan vote of the U.S. Congress in 1975. President Reagan called the EITC "the best anti-poverty, the best pro-family, the best job creation measure to come out of Congress." Twenty-three states plus the District of Columbia have enacted state EITC legislation under both Republican and Democratic elected officials.

Middletown and surrounding towns are represented by four state house districts (32nd,33rd, 34th, 100th). According to the most recent nation-wide data available (2007 data compiled by the Brookings Institute), residents in those districts received \$6,117,026 in federal Earned Income Tax Credits. If there had been a 30% CT EITC at that time, those same tax-payers would have received an additional \$1,835,107 – all money which those families would have used to pay bills, repair cars, attend college, and more.

A Connecticut Earned Income Tax Credit is a win-win for the state and for our state's residents.